

JOHN WAIHEE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

P. O. BOX 119
HONOLULU, HAWAII 96810-0119

July 11, 1990

RUSSEL S. NAGATA
COMPTROLLER

JUL 12 2 04 PM '90
JAMES H. YASUDA
DEPUTY COMPTROLLER

COMPTROLLER'S MEMORANDUM NO. 1990-18

TO: Heads of Departments
ATTN.: Fiscal Offices
FROM: Russel S. Nagata, Comptroller
SUBJECT: Payroll Withholdings on Excess Travel
and Other Reimbursements

This memorandum is in follow-up to our earlier one on the above subject (Comptroller's Memorandum No. 1990-13), which announced a series of training sessions for departmental staffs. Those sessions have now been completed; we appreciate your support in having the sessions so well attended by departmental staffs.

It became more and more apparent over the two weeks of training sessions that the success of the new withholding procedure would be heavily influenced by the promptness with which employees submit their travel-completed reports upon return from a trip. The travel-completed reports are at the beginning of the payroll withholding procedure, and their delay will therefore delay the State's compliance with withholding deadlines. Delay in the State's compliance can in turn expose the State to assessments by the taxing jurisdictions involved.


Tardy submission by employees of their travel-completed reports can also work to the employees' disadvantage. If an employee who makes several trips waits to report on all of them at one time, the applicable tax withholding from the employee's regular payroll payment can

AIR-AP
HAR-
HOL-
BUS-F

Hds. of Depts.
Memo 1990-18
Pg.2

accumulate to a significant reduction in the employee's net pay. Even for an employee who travels less frequently, late submission of the travel-completed report can complicate the employee's personal tax situation if the withholding occurs in a period later than the period in which related expenses were incurred.

It has always been important that travel-completed reports be submitted in a timely manner, since they cover settlement of travel advances and actual expenses. With the new withholding requirements effective July 1, 1990, the prompt submission of the reports has become even more important. We are therefore requesting that your department remind each traveling employee directly that (1) every individual trip requires a travel-completed report, and (2) the travel-completed report should be submitted as immediately after trip-completion as possible. We are confident that prompt submission will enable both the employee and the State to avoid subsequent problems with the new withholding procedure.



RUSSEL S. NAGATA
Comptroller